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NEW SOUTH WALES

BUSINESS STATISTICS - MONTHLY DIGEST.

6th JANUARY, 1942.

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NEW SOUTH WALES.

MONTHLY DIGEST OF BUSINESS STATISTICS.

JANUARY, 1941.

GENERAL. Since the entry of Japan into the war on December 7th, the Government has taken measures to place Australia on a full war footing as soon as possible. The functions of the Advisory War Council have been extended and the Government has the right to call upon any member of Parliament to assist members of the Cabinet or Council. The Premier's Conference has agreed to the principle of one Commonwealth manpower authority and consented to postpone all possible State public works until presentation of a report by the Co-ordinator General of Works. A second stage in the shipbuilding programme has been announced, providing for the construction of 14 ships, the Aircraft Production Commission is to be re-organised to give greater efficiency and plans are being made to duplicate armament factories away from the coast. Rationing of non-essential and semi-essential goods is being considered by the Federal Cabinet. A ban on holidays over the Christmas-New Year period was imposed.

An Industrial Relations Council is to be formed, consisting of Mr. Justice Webb as Chairman and eight representatives each of employers and employees. The function of the Council will be to advise the Government on industrial matters and general problems affecting war production. The Maritime Commission will fulfil the same function in the maritime industry.

FINANCE. N.S.W. Government accounts for the five months ended November, 1941, show a deficit of £4.85 m. in the consolidated revenue fund, but a surplus of £3.94m. on account of business undertakings, giving a net deficit for the five months of £.91 m.

N.S.W. GOVERNMENT CONSOLIDATED REVENUE AND BUSINESS UNDERTAKINGS.

Includes Unemployment Relief Fund and Social Services Fund until October, 1941, when these Funds were closed.

		FIVE MONTHS ENDED NOVEMBER.				
		1937	1938	1939	1940	1941
Revenue	£m.	20.06	19.80	20.12	23.62	24.76
Expenditure	£m.	22.29	23.83	25.82	26.30	25.67

The outbreak of war in the Pacific has disturbed the investment market. The Metropolitan Water Board loan which was to close on December 20 has had the closing date extended to January 10. The loan is for £900,000 at £3/11/3 per cent. for 14 years.

Very little business has been transacted on the Sydney Stock Exchange since the outbreak of war with Japan. Share prices have fallen greatly although not so far as after the fall of France. During the week ended 11th December the index of prices of 34 ordinary shares compiled by the Stock Exchange (Base 1934 =100) fell from 120.3 to 116.0, the lowest level for the year. A further fall to the 31st December brought the figure to 109.7. The Share Price Index compiled by the State Statistician is not yet available for December. The yield on Commonwealth Government securities has been steady.

	Sept., 1939.	Jan., 1941.	July, 1941.	Oct., 1941.	Nov., 1941.	Dec., 1941.
Sydney Stock Exchange Index - 34 ordinary shares. Base 1934 = 100	118.8	127.6	120.2	125.8	121.9	109.7*
C'm. Government Securities - over 5 years - Av. Redem- tion Yield	£4.06	£3.14	£3.10	£3.16	£3.13	£3.10
First Mortgages - Rural	5.2%	5.0%	4.9%	4.9%	4.9%	
Urban	5.5%	5.5%	5.5%	5.5%	5.5%	

* Weighted average rate of interest, excl. mortgages to Banks and Government, for three months ended month shown. * 31st December.

Australian Deposits for nine private trading banks were £m. 369.2 in October 1941, an increase of £m. 2.7 from September, 1941 and of £m. 7.5 from October, 1940. The ratio of advances to deposits continues to fall. It was 76% in October, 1941 as compared with 81% in October, 1940 and 93% in October, 1939.

With high employment and rising wages Savings Bank deposits continue to increase. At the end of November Australian Savings Bank Deposits amounted to £m. 265.2 as compared with £m. 245.7 at the end of November, 1940, and £m. 245.6 at the end of November 1939. War Savings Certificates were first issued on 18th March, 1940 and by the end of October, 1941, £m. 19.93 of those sold were still outstanding.

In N.S.W. Savings Bank Deposits at the end of November, 1941 were £m. 91.50 as compared with £m. 85.11 at the end of November, 1940.

N.S.W. SAVINGS BANK DEPOSITS AND NUMBER OF ACCOUNTS.

		END OF MONTH.			
		Nov., 1938.	Nov., 1939.	Nov., 1940.	Nov., 1941.
Savings Bank Deposits	£m.	86.34	86.68	85.11	91.50
Number of Accounts	'000,000	1.32	1.33	1.34	1.38 ^ø

^ø October, 1941.

The following table shows the monthly increases in small savings in N.S.W.

INCREASE IN SAVINGS BANK DEPOSITS AND PURCHASES OF WAR SAVINGS CERTIFICATES IN N.S.W.

	1941					
	July	Aug	Sept.	Oct.	Nov.	July-Nov.
	£000	£000	£000	£000	£000	£000
Increase in Savings Bank Deposits	772	1,194	1,018	580	186	3,750
War Savings Certificates ^ø	299	196	173	149	(125)*	(942)*
TOTAL	1,071	1,390	1,191	729	(311)	(4,692)

^ø Monthly purchases at cost, less repayments.

* estimated.

TRADE AND COMMERCE.

Buoyant business conditions are reflected in the high level of bank clearings, retail and wholesale sales. Although figures for December are not yet available, indications are that sales remained at a high level despite the Pacific situation. Operations of less essential industries will be restricted soon by contraction of bank advances. This policy has been announced by the Commonwealth Bank, and under the Wartime Banking Control Regulations must be followed by the trading banks.

Real estate sales for Jan.-Nov., 1941 show a recovery from the level of 1940 to that of 1939. The value of mortgages as registered monthly is still falling. The figure for November, 1941, £1,021,688 was the lowest for any month since May, 1934.

/N.S.W.

N.S.W. TRADE.

Year.	BANK CLEARINGS SYDNEY ϕ		WHOLESALE TRADE, N.S.W.	RETAIL TRADE SYDNEY.	REAL ESTATE, N.S.W.	
	Jan. - Nov.	Index No. Sept. - Nov. Base, same period 1926-30.			Sales Jan. - Nov.	Mortgages Jan. - Nov.
	£m.		£m.		£m.	£m.
1937	853	103	157.3	145	33.8	21.8
1938	854	102	159.0	152	34.6	24.6
1939	840	102	164.4	164	30.1	21.1
1940	974	114	167.6	173	28.6	15.4
1941	1,034	124	190.0 [*]	205	30.3	14.4

ϕ excludes Treasury Bill and other special Govt. transactions.

* Figure for month of October has been estimated.

Overseas trade figures are not available for publication.

EMPLOYMENT, N.S.W. Owing to the discontinuance of the State wages tax, figures of employment computed from these returns are no longer available. Records based on the Commonwealth payroll tax are not yet ready for publication. Particulars of employment as at the mid-week of October, 1941 were given in B.S. 1941/11C, pp.6-8.

TRANSPORT, N.S.W. Railway traffic has been increased both by defence requirements and by the reduction in road transport caused by petrol rationing. Passenger journeys for July-Oct. 1941 were 12.6% more than for the same period in 1940. Goods carried and excess of revenue over working expenses though high, did not reach the level of July-Oct. 1940. Trams and buses show a similar increase in the number of passengers carried, and also a high excess of receipts over working expenses.

New motor registrations show a big decline due mainly to petrol rationing. The total number of vehicles registered has, however, only decreased by 5% from November, 1940.

N.S.W. TRANSPORT.

	RAILWAYS - N.S.W.			TRAMS & BUSES SYDNEY AND NEWCASTLE.		MOTOR VEHICLES (a) N.S.W.		
	Passenger Journeys July-Oct.	Goods Ton Mileage July-Oct.	Working Surplus (b) July-Oct.	Passenger Journeys July-Oct.	Working Surplus (b) July-Oct.	New Motor Registra- tions. Nov.	No. of Cars Regis- tered 30th Nov.	No. of Lorries & Vans Regis- tered. 30th Nov.
	millions	millions	£'000	millions	£'000	Av. no. per week.	'000	'000
1937	62.0	593	2,072	117	219	729	196	75
1938	64.0	566	1,451	121	168	630	210	76
1939	59.7	634	2,159	122	193	537	216	78
1940	62.6	880	3,192	129	250	250	206	75
1941	70.5	751	2,843	156	303	89	191	75

(a) Excl. cycles and
excl. vehicles for
defence services.

(b) Excess of earnings over working expenses
excl. interest, sinking fund, exchange.

BUILDING PERMITS. Total Building Permits issued remain high due to the large number of individual houses being built. During the last two months building of flats and shops has greatly decreased though the total number built during January-November, 1941 is higher than for Jan.-Nov., 1940.

/Further.....

Further tables analysing recent figures for building permits were given in B.S. 1941/12C.

NUMBER OF DWELLINGS FOR WHICH PERMITS WERE GRANTED BY
COUNCILS - CITY AND SUBURBS.

Period.	Individual Houses.	Dwellings in Flats and Shops.	Total Dwellings less Demolitions.
	No.	No.	No.
1929	7,095	3,097	9,854
Av. 1930-34	1,205	656	1,839
1938	6,337	5,821	11,853
1939	5,847	4,290	9,822
1940	5,706	4,117	9,557
Jan.-Nov. 1939	5,549	4,140	9,396
Jan.-Nov. 1940	5,365	3,102	8,211
Jan.-Nov. 1941	6,211	3,430	9,457

RURAL INDUSTRIES. Wool appraisements will be resumed in Sydney on January 12, and in Newcastle on January 15 and 16. The zone system of offering is to be continued in N.S.W. Pastoral districts are still suffering from lack of rain.

Wheat yields are proving greater than expected and it is possible that the estimated harvest of 45m. bushels for N.S.W. forecast on Nov. 13 may be substantially exceeded. Cool weather in the spring favoured normal development despite low rainfall.

The maize harvest will be again very light, as in the past two years. Good sowing rains have fallen in the north-west, but labour shortage has caused restriction of acreage.

Dairying districts are still suffering from lack of rain. In all districts butter production is declining. On the far South Coast the drought is the most prolonged on record. Fodder crops are wilting.

The increased demand for trucks and other rolling stock for defence work is causing delay in railing fodder to drought-stricken areas.

The early potato harvest will be very light. Except in the Dorriggo, November rains were too late to benefit the crop. Dry conditions have restricted planting which began in November. Shortage of labour has also led to reduced acreage.

The re-organised Apple and Pear Board will take over the Commonwealth's acquisition scheme on January 1. It will have its own "floor" at markets and sell direct to retailers as recommended by the Joint Parliamentary Committee which investigated the scheme. Inquiry by the Commonwealth into the activities of the Board in N.S.W. are not yet complete.

WORLD WHEAT SITUATION.

International trade in wheat has diminished rapidly over the last few years. Fear of war caused many countries to strive for self-sufficiency in grain production even before the outbreak of hostilities. Trade barriers also reduced the funds available for international grain purchases. The declaration of war in September, 1939 made Atlantic shipments increasingly difficult and cut off most of the European market from North American and Australian supplies. Japan's entry into the war must further restrict wheat shipments from Australia. It will be very difficult to export to China or Vladivostok. There remains the market in the Middle East where army demand is appreciable. Surpluses have increased greatly and are expected to approximate 1,550 million bushels at July 31, 1942. Farm stocks of wheat in U.S.A. are estimated at 492 million bushels, the largest October stocks ever recorded. On the other hand the U.S.A. Department of Agriculture now estimates that owing to compulsorily restricted production in wheat-exporting countries, the world output of wheat for 1942/43 may be less than consumption, so reducing stocks somewhat.

PRODUCTION 1941-42. The U.S.A. Department of Agriculture has revised its estimate of wheat production for 1941/42 to 946 m. bushels, a reduction of 15 m. bushels from the previous estimate. This still means a record harvest. The estimate of the area that will be seeded for the 1942 crop is 55,000,000 acres, about the area provided under the national allotment scheme. This gives a reduction of 13% from 1941, and is 24% below the average area sown for the 5 years 1936/40. As U.S.A. uses 90% of her crop for home consumption, this reduction should allow use of some stocks for current demand.

Seasonal conditions in Canada have been poor and the total production for Canada and U.S.A. is below that of 1940, though it is still high compared with previous years.

WHEAT PRODUCTION - U.S.A. & CANADA.Million bushels.

	Average 1929 to 1933	Average 1934 to 1938	1938	1939	1940	1941 (forecast).
U.S.A.						
Winter	573	559	688	570	589	671
Durum	} 211	} 158	} 246 ⁴	34	35	42
Other Spring				147	193	233
TOTAL U.S.A.	784	717	932	751	817	946
Canada	354	263	350	490	551	302
TOTAL U.S.A. & CANADA	1,138	980	1,282	1,242	1,368	1,248

The estimated area sown in Canada for 1941 (22,372,000 acres) is over 6 million^{acres} less than for the five year period 1936/40. This reduction was due partly to the poor season but also to the acreage-reduction plan announced by the Canadian Government last March. The total amount that may be marketed from the 1941 harvest is limited to 230 million bushels.

On October 7th, 1941, the Canadian Wheat Board raised the general wheat quota from 5 bushels per authorised acre to 8 bushels, and on October 16th to 12 bushels. On October 18th a supplementary bonus plan for spring wheat farmers in western Canada was announced. The bonus is to be paid under the Prairie Farm Assistance Act and to be based on cultivated acreage.

In Argentina the 1941/42 harvest has suffered from bad seasonal conditions and is now expected to be less than 200 million bushels, or more than 70 million bushels below 1940/41, though the area sown was slightly greater. 17.77 m. acres were sown in 1941/42. This compares with 17.5 m. acres in 1940/41 and 19.3 m. acres average for the period 1935-36/1939-40.

/Broomhall.....

Broomhall estimates European production (excl. U.S.S.R.) at 1,480 million bushels. This is somewhat higher than an earlier estimate by the U.S.A. Department of Agriculture, 1,430 million bushels. The new figure is above the low level of 1940, but not equal to the average for 1930/34 which was 1,516 million bushels. The U.S.A. Department of Agriculture reports that for Finland and Sweden the crops are smaller than last year but the Spanish harvest is estimated to be greater than in 1940 though still below domestic requirements. In Great Britain the wheat crop is developing better than expected, and with the increased area sown to wheat should give a total yield for 1941 above the average. A further increase in cultivation of 2,000,000 acres for the 1942 harvest will be used partly for wheat. The 1941 wheat crop in Italy was slightly larger than that of 1940, but is still insufficient to meet domestic requirements. Bread rationing was introduced as from October 1, the basic daily ration to be about $6\frac{1}{2}$ ounces.

WHEAT PRODUCTION - EUROPE EXCL. U.S.S.R.

Million bushels.

Average 1930/34	1,516
1938	1,844
1939	1,726
1940	1,400 (a)
1941	1,480 (a)

(a) Estimates on incomplete data.

An estimate by the American consulate at Shanghai places Oriental wheat production for 1941 at 803 m. bs.. Trade in wheat and flour is restricted by Japanese controls and trade conditions generally are confused.

WHEAT PRODUCTION - CHINA, MANCHURIA AND JAPAN.

YEAR	CHINA	MANCHURIA	JAPAN	TOTAL
	million bs.	million bs.	million bs.	million bs.
Average 1931-35	780	39	40	859
1938	640	35	45	720
1939	667	31	61	759
1940	700	28	66	794
1941 ϕ	720	30	53	803

ϕ Preliminary.

A cable from New Delhi states that the shortage of wheat in India has become so serious that the government has removed the import duty on wheat. Prices are rising steadily.

The most recent estimate of the Australian 1941/42 harvest is 160.8 m. bushels. This is somewhat below the average for the last ten years though nearly double the drought harvest of 1940/41. Seasonal conditions remain favourable in Western Australia and Victoria. In South Australia an outbreak of rust has reduced the yield. In N.S.W. and Queensland lack of rain has brought the harvest below average.

/TABLE.....

WHEAT PRODUCTION IN AUSTRALIA.

(1,000,000 bushels)^(a).

YEAR	N.S.W.	VIC.	Q'LD.	S.A.	W.A.	AUSTRALIA INCL. TAS. AND A.C.T.
1936-37	56	43	2	29	22	151
1937-38	55	48	4	43	36	187
1938-39	60	18	9	32	37	155
1939-40	77	45	7	41	41	210
1940-41 (b)	24	14	6	18	21	83
Average Ten years ended 1941	56	36	4	35	33	165
Estimate for 1941-42	45	44	3	32	37	161

(a) quantities to nearest million - accounts for slight discrepancies between Aust. total shown and total of individual States.

(b) Subject to revision.

The estimated area sown to wheat for grain in 1941 was 12,653,200 acres which is a slight increase over 1940-41 but 7% below the average for the ten years ended 1941.

AREA SOWN UNDER WHEAT FOR GRAIN - AUSTRALIA.

(1,000,000 acres).

YEAR	N.S.W.	VIC.	Q'LD.	S.A.	W.A.	AUSTRALIA INCL. TAS. AND A.C.T.
1936-37	3.98	2.39	.28	3.06	2.58	12.32
1937-38	4.47	2.69	.37	3.16	3.03	13.74
1938-39	4.65	2.75	.44	3.08	3.41	14.35
1939-40	4.38	2.83	.36	2.74	2.97	13.28
1940-41 (a)	4.29	2.67	.30	2.56	2.62	12.45
Average ten years ended 1941	4.26	2.80	.30	3.27	2.96	13.60
Estimate for 1941-42	4.23	2.88	.35	2.50	2.69	12.65

(a) Subject to revision.

PRICES. On the London Baltic Exchange prices for Canadian and Argentine wheat rose in December. Australian wheat was unchanged.

/TABLE.....

WHEAT PRICES - LONDON BAL TIC EXCHANGE

per Quarter, f.o.b.

END OF MONTH		NO. 1 MANITOBA	ROSAFE (ARGENTINE)	SOUTH AUSTRALIAN.
		s. d.	s. d.	s. d.
1937	June	51 7 $\frac{1}{2}$	not quoted	45 0
1939	December	30 7 $\frac{1}{2}$	not quoted	25 9
1940	"	33 1 $\frac{1}{2}$	20 1 $\frac{1}{2}$	28 0
1941	July	31 4 $\frac{1}{2}$	21 0	27 6
	Aug.	31 0	21 0	27 6
	Sept.	31 3	21 3	27 6
	Oct.	31 0	21 6	27 6
	Nov.	31 9	22 0	27 6
	Dec. ø	33 10 $\frac{1}{2}$	22 4 $\frac{1}{2}$	27 6

ø December 29th.

Chicago wheat prices also showed a marked increase during December. In Winnipeg the price rise was much smaller. The premium for the more distant futures was still very high in November owing to storage difficulties. The Chicago average November price for December deliveries was 6 cents below that for July deliveries. On the Winnipeg market the margin was 5 cents. This margin fell during December as current stocks cleared.

NORTH AMERICAN WHEAT FUTURES.

cents per bushel.

	CHICAGO.	WINNIPEG.
	July options.	July options
1939 December	102	89 $\frac{3}{8}$
1940 December	80 $\frac{7}{8}$	78 $\frac{15}{16}$
1941 October	121 $\frac{13}{16}$	78 $\frac{5}{8}$
November	120 $\frac{9}{16}$	78 $\frac{1}{2}$
December*	127 $\frac{3}{4}$	78 $\frac{3}{4}$

ø May delivery.

* Dec., 29th.

During December the Sydney wheat market has experienced a keen demand from the produce trade, but business in wheat for export flour was small.

WHEAT PRICES - BULK - SYDNEY.

per bushel ex trucks, Sydney.

Shippers offers to 1938/39. Prices for wheat for local flour from Dec. 1939.

Season ended November -	Average for season.	Dec.	July	Aug.	Sept.	Oct.	Nov.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1934	2 9	2 7	2 11	3 3	3 0	2 8	2 6
1937	5 3	5 4	5 7	5 3 $\frac{1}{2}$	5 3	5 3 $\frac{1}{2}$	4 7
1939	2 5	2 6	2 3 $\frac{1}{2}$	2 3	2 9	2 8	2 9 $\frac{1}{2}$
1940	3 10 $\frac{1}{2}$	3 5	4 0	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$
1941	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$
1942		3 11 $\frac{1}{4}$					

INTERNATIONAL WHEAT CONFERENCE. No report has yet been issued.